

ASSEMBLY BILL

No. 14

Introduced by Assembly Member Bermudez

January 27, 2003

An act to add and repeal Section 20901.5 of the Government Code, relating to state employees' retirement, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as introduced, Bermudez. State employees' retirement: early retirement incentive.

The Public Employees' Retirement Law authorizes the Governor, in certain circumstances, to issue an executive order granting specified state employees an additional 2 years of service credit, for purposes of calculating retirement benefits, if those employees retire within the period designated in the executive order and if other conditions are met.

This bill would grant specified state employees an additional 2 years of service credit if those employees retire within a period, to be designated by the Director of Finance, during the 2003–04 fiscal year and if other conditions are met.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 20901.5 is added to the Government
- 2 Code, to read:

20901.5. (a) Notwithstanding any other provisions of this part, an additional two years of service shall be credited to state members, other than university or school members, if the following conditions exist:

(1) The member meets the service requirements of Section 21060 or 21074.

(2) The member retires for service during the period designated by the Director of Finance, which period shall commence on a date after the effective date of this section and shall expire on a date prior to July 1, 2004. The Director of Finance shall make that designation within 15 days after the effective date of this section.

(3) The appointing power, as defined in Section 18524, transmits to the retirement fund an amount determined by the board that is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and the amount the member would have received without that service credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the employer and the board. The appointing power shall make the payment with respect to all eligible employees who retire pursuant to this section.

(b) As used in this section, “state member” means a state employee who is employed in a job classification, department, or other organizational unit designated by the appointing power, as defined in Section 18524.

(c) The amount of service credit shall be two years regardless of credited service, but may not exceed the number of years intervening between the date of the member’s retirement and the date the member would be required to be retired because of age.

(d) Any member who qualifies under this section, upon subsequent reentry to this system shall forfeit the service credit acquired under this section.

(e) This section is not applicable to any member otherwise eligible if the member receives any unemployment insurance payments arising out of employment with an employer subject to this part during a period extending one year beyond the effective date of this section or if the member is not eligible to retire without the additional credit available under this section.

(f) This section shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute that

1 is enacted before January 1, 2005, deletes or extends the dates on
2 which it becomes inoperative and is repealed.

3 SEC. 2. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety
5 within the meaning of Article IV of the Constitution and shall go
6 into immediate effect. The facts constituting the necessity are:

7 In order to realize the economies resulting from the early
8 retirement of state employees and to thereby decrease the budget
9 shortfall in the 2003–04 fiscal year, it is necessary that this act take
10 effect immediately.

O

